REMARKS

After entry of the foregoing amendment, claims 1-4 and 6-28 are pending in the application.

The specification is amended by updating certain references to reflect recently-issued patents, and by canceling Appendix A (in view of issuance of the corresponding application into a patent).

The rejection of claims 1, 3, 4, 6-10 and 12-23 over Cox (5,930,369) and Rathus (5,932,863) is respectfully traversed.

The Action cites disparate features from the two references, and urges selective modification and combination of the references, but fails to set forth the requisite motivation that would have led an artisan to the claimed combinations.

For example, with reference to claim 1, the Action reviews the teachings (and certain omissions) of the Cox and Rathus art, and then states:

> *Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made, to know that Cox would embed data related to a product or service promoted by the printed promotional material, as taught by Rathus. Cox optical scanner (see column 13, lines 19-67) would read the data and would direct the user to a web site promoted by the printed material (see Cox, column 1, lines 30-50; column 9, lines 5-19). This feature would make it easier to direct user to the printed advertisement web site so they can obtain more information about products and promotions.*

The leap from the teachings of the art to the proposed combination appears based entirely on the Examiner's hindsight, rather than some teaching or suggestion in the art – as is required.

The rejection of claim 3 is also statutorily inadequate. Here again the rejection recites teachings and omissions of the art, and argues that Cox and Rathus can be selectively modified and combined to yield the claimed arrangement.

In this case the rationale for such selective modification and combination is again inadequate. In addition to failing to cite a teaching or suggestion in the art leading to the proposed combination, the rejection also fails in that neither of the applied references makes reference to one of the claim elements: *determining whether a prize should be awarded in response to submission of said decoded data.*

The Action makes reference to "promotions" – seemingly as a synonym for "prizes," and then seems to cite an advertisement as a promotion, bootstrapping an ill-founded equivalence: prize=advertisement. A fair reading of the specification does not support any such construction. An advertisement is not a "prize" as required by the claim. (Moreover, there is no "determining" involved in the cited art's presentation of an advertisement.)

Again, the art does not support the rejection.

The rejection of claim 4 likewise is not supported by the art.

The Action cites Cox at col. 1, lines 31-50 and column 9, lines 5-19, for the claim limitation of "encoding a travel photograph." But nowhere does Cox teach anything concerning a travel photograph.

The cited excerpts concern general image encoding. But the law does not permit rejection of a *specific* claim feature based on a *generic* teaching in the art.

Moreover, as admitted in the Action, Cox does not teach the act of "*using at least part of the extracted plural-bit data to direct an Internet web browser to a web site that provides travel information useful to a consumer who wishes to visit the location depicted in the photograph.*" Rathus is relied-on for this feature. But again, Rathus does not teach that for which it is cited. Rathus has no teaching directed to the provision of travel information.

Again, the rejection relies on impermissible hindsight, and cannot be sustained.

The rejection of claim 6 is similarly flawed. The Action cited teachings of the art, and proposed their selective modification and combination. But the rationale for such modification/combination derives from the Examiner's hindsight, rather than any cognizable suggestion from the art – as is required.

As to claim 8, Cox teaches that transformations such as rotation can be dealt with by *manually* ascertaining the nature of the transformation, e.g.:

> *After receipt, an image may encounter many common transformations that are broadly categorized as geometric distortions or signal distortions. Geometric distortions 18 are specific to image and video data, and include such operations as rotation, translation, scaling and cropping. By* ***manually determining*** *a minimum of four or nine corresponding points between the original and the*

> *distorted watermark, it is possible to remove any two or three dimensional affine transformation.*[1]

Claim 8 has been amended to clarify that the process is automated, rather than relying on a manual determination.

Claims 10, 15, 17, 21 and 23 have been similarly amended.

Claims 2 and 11 stand rejected over Cox in view of Merriman (5,948,061).

Again, applicants respectfully submit that a *prima facie* case under § 103 has not been made out.

For example, the Action wrongly states, "*Cox teaches ... steganographically encoding a first print advertisement with first plural bit data; steganographically encoding a second print advertisement with second plural bit data.*"

Cox does not. He does not teach encoding of print advertisements, and does not concern encoding of two print advertisements.

Moreover, the Action again modifies and combines references based on the Examiner's application of hindsight, rather than the requisite teaching or suggestion in the art. The Action states:

> *Cox fails to teach, tallying the number of decoded first and second data, respectively, to determine consumer response to the advertisements. However, Merriman et al teach a system that tracks down how often a given advertisement has been displayed, how often a given user has seen a given advertisement, and other information regarding the user and the frequency of the display of the advertisement (see column 2, lines 5-45).* ***Therefor, it would have been obvious...***"

It will be recognized that teachings of in two references cannot be co-joined by simple application of a grammatical "Therefore." Rather, the art must provide some suggestion or incentive leading to the proposed modification and combination. None is cited in the Action – just an end result taught by applicants' own disclosure (i.e., "*This feature would help better target advertisements to customers.*")

The rejection of claim 11 is likewise flawed –with the substitution of the Examiner's own view for the required suggestion in the prior art.

New claims 24-28 are added to more fully protect applicants' inventive work. In particular, the claims introduce a requirement not met by Cox, e.g., that the decoding

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[1] Cox, column 8, lines 33-41.

proceeds without reference to an unencoded version of the product. Cox requires comparison with the unwatermarked original as part of his decoding process, e.g.: "*The watermark is extracted from watermarked data by first comparing the watermarked data with the original data to obtain an extracted watermark*" (Cox abstract).

Favorable reconsideration and passage to issuance are solicited.

Respectfully submitted,

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DIGIMARC CORPORATION

CUSTOMER NUMBER 23735

By _____

Phone: 503-885-9699
FAX 503-885-9880

William Y. Conwell
Registration No. 31,943